

**COMMONWEALTH OF MASSACHUSETTS**  
**MASSACHUSETTS**  
**DEPARTMENT OF TELECOMMUNICATIONS & ENERGY**

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Petition of Bay State Gas Company

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D.T.E. 05-27

**FIRST SET OF INFORMATION REQUESTS OF THE  
MASSACHUSETTS OIL HEAT COUNCIL, INC.**

- MOC 1-1: For the years 2002 through 2005 (to date), please provide the following information:
- (a) the annual amount of the Company's advertising, marketing and sales promotion expenses;
  - (b) the amount of the Company's advertising, marketing and sales promotion expenses recovered through rates; and
  - (c) a detailed list of the advertising, marketing and sales promotion expenses by type -- including, but not limited to, expenses spent on print advertising, TV advertising, radio advertising, contractor incentives, advertising subsidies, equipment rebates and/or equipment giveaways.
- MOC 1-2: Please indicate the anticipated level of the Company's advertising, marketing and sales promotion expenses for this year.
- MOC 1-3: Please indicate the amount of advertising, marketing and sales promotion expenses for which the Company is seeking DTE approval to recover through rates.
- MOC 1-4: For the years 2002 through 2005 (to date), please provide the following information with regard to the Company's advertising, marketing and sales promotion expenses:
- (a) the annual amount of such expenses used for company image

enhancement (i.e., general information regarding Bay State Gas Company);

- (b) the annual amount of such expenses used to provide existing customers with information (i.e., gas safety messages, conservation information, etc.);
- (c) the annual amount of such expenses used for promotional purposes (i.e., advertisements and promotional programs designed to attract new customers, to add load, and to encourage conversions from alternate fuels to natural gas); and
- (d) the annual amount of such expenses used for contractor and trade ally programs (i.e., trade ally incentives, advertising subsidies, training, rebates and equipment giveaways, etc.).

MOC 1-5: For the years 2005 (to date), 2004, 2003, and 2002, please separately indicate the number of conversions from oil, propane and electricity to the Company's natural gas service for:

- (a) residential customers;
- (b) commercial customers; and
- (c) industrial customers.

MOC 1-6: For the years 2005 (to date), 2004, 2003, and 2002, please indicate by residential, commercial and industrial customer class the number of the Company's:

- (a) firm gas customers;
- (b) interruptible gas customers (if any temperature-controlled customers exist, please state separately); and
- (c) transportation customers (where the customer purchases gas commodity from a separate marketer or supplier).

MOC 1-7: For the years 2005 (to date), 2004, 2003, and 2002, please separately indicate the number of marketing lead calls that the Company received for natural gas appliance service, installation, repair, maintenance, upgrade, and/or conversions. Please further indicate the Company's projected marketing lead calls for each category for the remainder of the current year.

- MOC 1-8: At page 25 of Witness Bryant's testimony, he describes the services that Bay State provides to Northern Utilities, Inc. under the Bay State/Northern Operational Services Agreement. Among the services listed are "marketing and advertising" services. Please detail what type of "marketing and advertising" services are provided to Northern including the costs of such services.
- MOC 1-9: At page 33 of Witness Bryant's testimony, he describes the efforts Bay State undertakes to assist existing customers in managing the high cost of natural gas. Please indicate whether the Company informs potential customers, including conversion customers, of the potential costs of natural gas, both transportation and commodity. If so, please specify what information is provided and provide any relevant documentation.
- MOC 1-10: At page 51 of Witness Bryant's testimony, he states that Bay State's Energy Product and Services (EP&S) division is not subject to the DTE's rules concerning competitive energy affiliates. Please provide a copy of the Department's determination that EP&S is neither a competitive affiliate nor a "unit or division" within the meaning of the Department's rules.
- MOC 1-11: At page 52 of Witness Bryant's testimony, he indicates that "Bay State's market share...of heating system installation jobs in its distribution system is currently only 4% of the total market for this activity." Please indicate how the Company calculated the 4% figure and provide supporting documentation.
- MOC 1-12: At page 54 of Witness Bryant's testimony, he states that "Bay State solicits participation of qualified contractors in its contractor referral program and provides incentives to participants to help meet Bay State growth objectives". With regard to this statement, please provide the following information:
- (a) identify and describe the Company's contractor referral program(s) and provide all documents and/or communications regarding the referral program(s) prepared and/or sent during 2004;
  - (b) in addition to the referral programs, identify and describe all outside contractor or "trade ally" program(s) offered by the Company. Please provide all promotional items, advertisements, invitations or other materials used in connection with such program(s);
  - (c) provide any agreements or contracts entered into between the Company and outside contractors or trade allies;
  - (d) indicate the method by which the Company selects an outside

contractor to provide services in conjunction with the Company;

- (e) indicate whether any of the Company's affiliates can and do participate in such programs and identify such affiliates;
- (f) indicate the type and amount of financial and/or promotional assistance outside contractors or trade allies received from the Company for the benefit of the outside contractor or trade ally including but not limited to rebates, financial subsidies, advertising subsidies, promotional materials prepared by the Company, gifts and prizes, or any other financial incentive;
- (g) indicate the type of financial and/or promotional assistance outside contractors or trade allies received from the Company to be passed onto the customer, including but not limited to rebates, financial subsidies, gifts, loans, prizes, or any other financial incentive; and
- (h) provide a list of all the contractors who have qualified for or been selected by the Company as an outside contractor or a trade ally doing business with the Company. For each, please list the amount and type of assistance received from the Company.

MOC 1-13: At page 54 of Witness Bryant's testimony, he states that Bay State utilizes and provides incentives to outside contractors "to help meet Bay State growth objectives". Please identify and describe Bay State's growth objectives and provide all documentation with regard thereto.

MOC 1-14: At page 54 of Witness Bryant's testimony, he states "Bay State also informs customer on its telephone service lines that these services can be provided by independent contractors as well as Bay State." With regard to this statement,

- (a) please provide the exact language, including documentation, used by the Company to inform existing and/or potential customers that independent contractors are available to perform service installation, repair and maintenance services; and
- (b) please indicate under what circumstances the Company would inform or refer customers to independent contractors rather than the Company's own EP&S division.

MOC 1-15: At page 54 of Witness Bryant's testimony, he indicates that "Bay State's water heater installations are provided by independent contractors". With regard to that statement, please indicate why Bay State's EP&S division does not perform such installations, and the manner and method used by

the Company to transfer such water heater installation leads to independent contractors.

MOC 1-16: With regard to marketing leads received by the Company, please provide the Company's policy and practice in assigning leads to its EP&S division, to any affiliate(s) and to outside contractors. Please provide all documentation regarding such policy and practice.

Dated: June 9, 2005